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DIRECTORATE OF INTELLIGENCE

4 March 1985

Taiwan: Thoughts on Chiang's Removal []

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Summary

The abrupt removal of Chiang Yen-shih as KMT Secretary-General--an apparent victim of political infighting between party and government leaders--has at least temporarily strengthened the hand of President Chiang Ching-kuo's more conservative advisers. In the short run, we expect Taipei to continue its hardline approach toward maintaining Taiwan's membership in international organizations and to increase pressure on Washington for more "officiality" in Taiwan-US relations, especially once the Henry Liu affair ebbs. []

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The long-term implications are less clear. In the past the President has sought to maintain a rough balance between the conservatives and moderates to prevent either group from becoming dominant. Between now and the next party plenum--possibly early next year--he may try to offset the conservative advantages. Chiang's fragile health, however, may prevent him from doing so and could lead to increased factional bickering. []

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This memorandum was prepared by [] Foreign Affairs Branch, China Division, Office of East Asian Analysis. Information available as of 4 March 1985. Comments and queries are welcome and should be addressed to Chief, China Division, []

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Fighting At The Top?

The reasons for Secretary-General Chiang's sudden and unexpected resignation on 6 February [redacted] reasons--remain unclear. [redacted]

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[redacted] Chiang's removal, we believe, however, that his dismissal probably was more a result of infighting among senior government and party leaders over a variety of other policy issues. Differences over how to handle the crisis over the Liu murder case may have acted as a catalyst, prompting President Chiang to act. [redacted] the hardline old guard have criticized the more moderate Chiang for some time for being too willing to compromise with disparate interest groups. In addition, during his tenure as Secretary-General, Chiang oversaw the transformation of the KMT from a moribund political body into a vibrant grassroots organization that appealed to native Taiwanese interests--a transformation that probably has angered party old timers who fear these changes will lead to the eclipse of mainlander control of the party apparatus. [redacted]

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As the head of a coordinating group of party and government officials responsible for government policy, Chiang was subject to conflicting pressures and may have been unable to resolve differences to the President's satisfaction. Chiang's image may have been further tarnished in late January when he was unable to prevent his supporters in the Control Yuan from launching an acrimonious attack on the Minister of Economic Affairs--and Premier Yu Kuo-hua indirectly--over Taiwan's nuclear energy program, [redacted] President Chiang, thus, may have removed Chiang to put an end to internecine bickering at a time when he believed internal unity was vital because of the Liu case. [redacted]

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Short Term Implications

We believe Chiang's removal weakens at least temporarily the

influence of moderates. Chiang, along with Minister of Education Li Huan and Vice President Li Teng-hui, has supported efforts to promote younger, more moderate Taiwanese and mainlanders to positions of authority and influence in the party and government. [REDACTED]

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Chiang's departure probably will increase the influence of conservatives such as Premier Yu and Shen Chang-huan, Secretary-General of the Presidential Office, especially over Taiwan's foreign policy. We believe Shen in particular has been very influential in persuading the President to adopt a hardline approach toward Taiwan's membership in international organizations, insisting on the use of "Republic of China" wherever possible. Shen also favors pressing the United States to grant Taiwan's representatives in the United States greater official status. [REDACTED]

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After the publicity over the Liu affair dies down, we suspect Yu and Shen will try to convince President Chiang to pressure Washington for more official contacts in US-Taiwan relations. They may also press for a more active lobbying effort against US arms sales to China and for increases in such sales to Taiwan. A late January speech by President Chiang to senior military officers calling for resistance to US arms sales to Beijing may be a precursor of increasing criticism over the sales. [REDACTED]

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Long-Term Implications

We believe the infighting that apparently led to Chiang's ouster may persist for awhile. Ma Shu-li--Chiang's replacement--at 75 is clearly an interim successor, and President Chiang's reported decision to postpone next month's scheduled plenum of the KMT Central Committee suggest that he has not been able to halt squabbling among his key policy advisers. The President appeared to refer to this when he called in his January speech for political factions to put aside their differences and work together to improve Taiwan's image at home and abroad. [REDACTED]

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In the past the President has used sudden personnel changes to keep both moderates and conservatives off balance. His dismissal of Wang Sheng in 1983--then Director of the General Political Warfare Department--was just as sudden and unexpected. If the President remains true to form, Chiang Yen-shih's removal could be a harbinger of further personnel changes between now and the next plenum of the KMT Central Committee, rumored for early 1986. Because President Chiang has always carefully sought to maintain an equilibrium between moderates and conservatives, such changes probably would be intended to restore balance at the top. [REDACTED]

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